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September 17, 2010

To the Honorable, The Common Council
City of Milwaukee

RE: Annual Outstanding Receivables Report

Dear Council Members:

Attached you will find the Comptroller's 2010 Report on Outstanding Receivables as of December 31, 2009. This is the second annual report being issued as required by Ordinance 304-1-5. The report provides summary information on City outstanding receivables. These receivables include:

- Delinquent Taxes;
- Parking Violations;
- Municipal Court Judgments; and
- Miscellaneous Accounts Receivable.

Should you have any questions or need further information, please feel free to contact Craig Kammholz of my staff at extension 2304.

Sincerely,

W. MARTIN MORICS
Comptroller

CC: Alderman Terry L. Witkowski

City of Milwaukee

Outstanding Receivables Report



W. Martin Morics
Comptroller

September 2010

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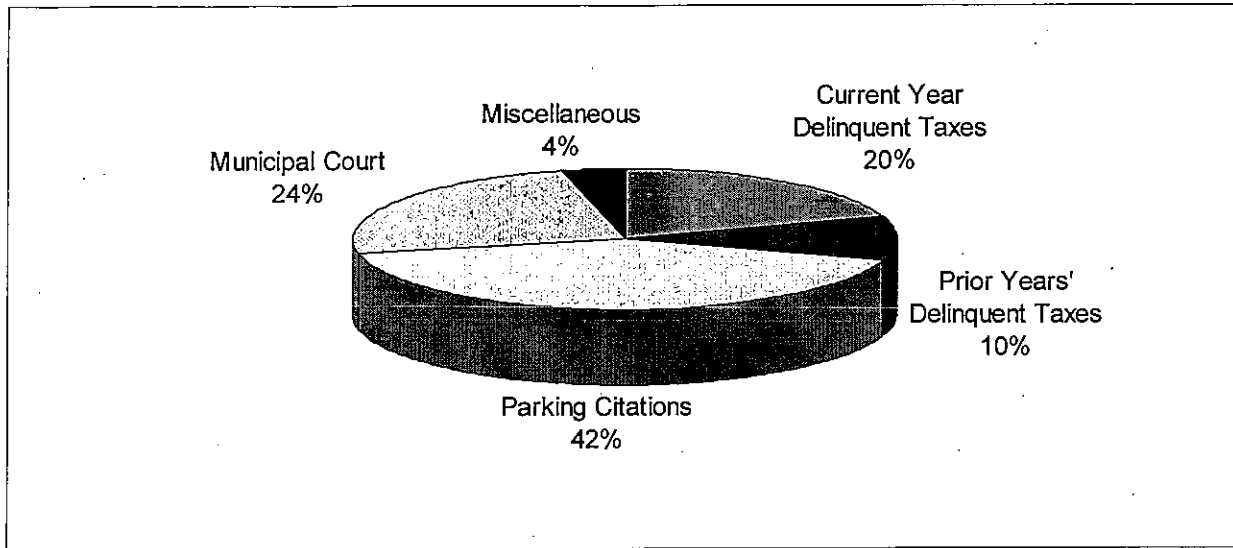
Introduction

The City of Milwaukee Outstanding Debt Task Force was created in April 2005, by Common Council File Number 041446, to evaluate and make recommendations related to the collection of delinquent taxes, forfeitures, judgments and fees owed to the City. The Task Force submitted its final report and recommendations, contained in File 051098, to the Common Council in December 2005.

The report included a recommendation that the Comptroller's Office provide reports annually analyzing delinquent outstanding debt. This recommendation resulted in the adoption of ordinance 304-1-5, which requires the City Comptroller to submit a written annual report to the Common Council analyzing outstanding delinquent debt.

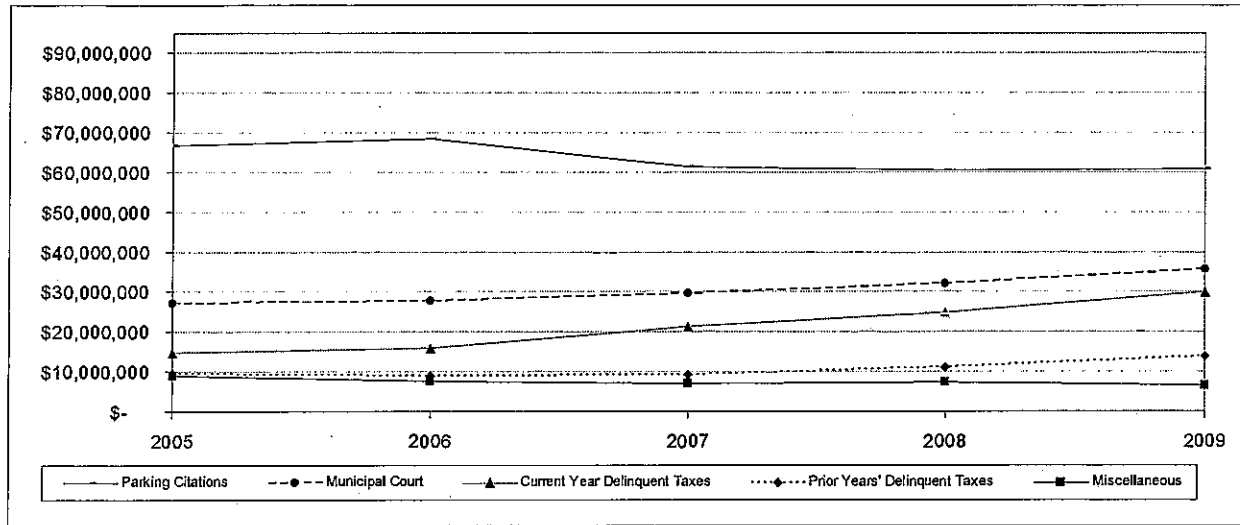
The Comptroller's 2010 Report on Outstanding Receivables as of December 31, 2009, is being issued as required by Ordinance 304-1-5. The report provides summary information on City outstanding receivables including Delinquent Taxes; Parking Fund Citations; Municipal Court Judgments; and Miscellaneous Accounts Receivable.

Outstanding Receivables as of December 31, 2009



Outstanding receivables for the City of Milwaukee as of December 31, 2009, total approximately \$146.4 million. The largest category of outstanding receivables is Parking Citations at 42%, followed by Delinquent Taxes totaling 30%. Of the Delinquent Taxes total, 20% is related to current year Delinquent Taxes (2008 taxes for 2009 purposes) and 10% to prior years' Delinquent Taxes (2007 taxes and prior). Municipal Court outstanding judgments make up 24% of total outstanding receivables. Miscellaneous Accounts Receivable is the smallest category totaling 4%.

Outstanding Receivables at Year End 2005-2009



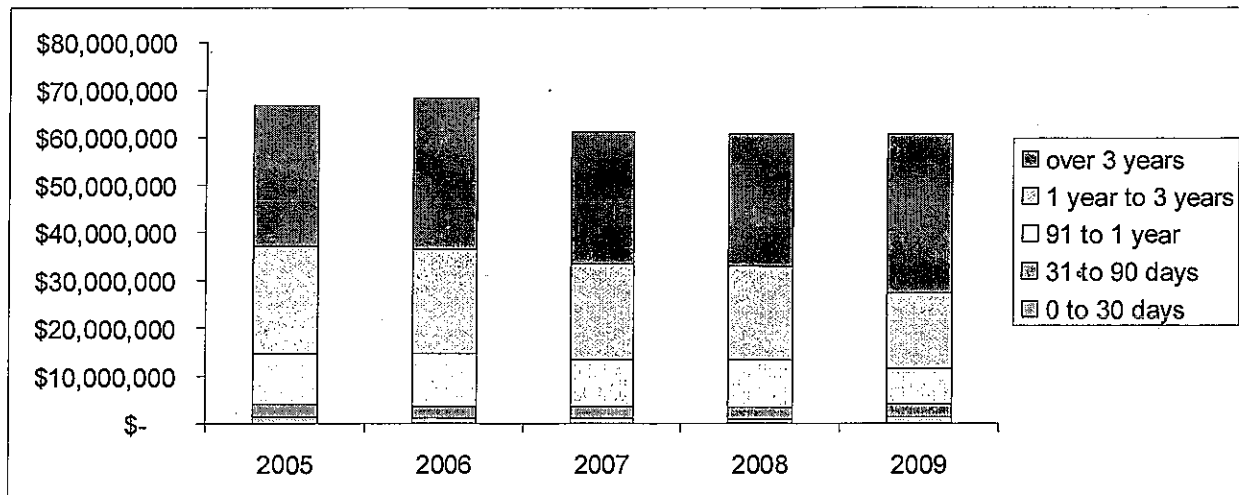
	2005	2006	2007	2008	2009
Parking Citations	\$ 66,645,000	\$ 68,400,000	\$ 61,212,000	\$ 60,606,000	\$ 60,679,000
Municipal Court	27,059,000	27,650,000	29,494,000	32,076,000	35,487,000
Current Year Delinquent Taxes	14,741,000	15,615,000	21,079,000	24,675,000	29,872,000
Prior Years' Delinquent Taxes	9,463,000	8,929,000	9,297,000	11,004,000	13,940,000
Miscellaneous	8,915,000	7,508,000	6,937,000	7,250,000	6,439,000
TOTAL	\$ 126,823,000	\$ 128,102,000	\$ 128,019,000	\$ 135,611,000	\$ 146,417,000

The chart and table above show outstanding receivables by category from 2005 through 2009. Current year delinquent tax receivables have increased at the greatest rate over time, going from \$14.7 million in 2005 to \$29.9 million in 2009. Prior years' delinquent taxes have also increased over time, but at a slower rate, going from \$9.5 million in 2005 to \$13.9 million in 2009. Outstanding Municipal Court judgments including fees, fines and forfeitures increased from \$27 million in 2005 to \$35.5 million in 2009.

Miscellaneous accounts receivable, which include various billings by general city departments, have decreased from \$8.9 million in 2005 to \$6.4 million in 2009. Parking citation outstanding receivables decreased from \$66.6 million in 2005 to \$60.7 million in 2009.

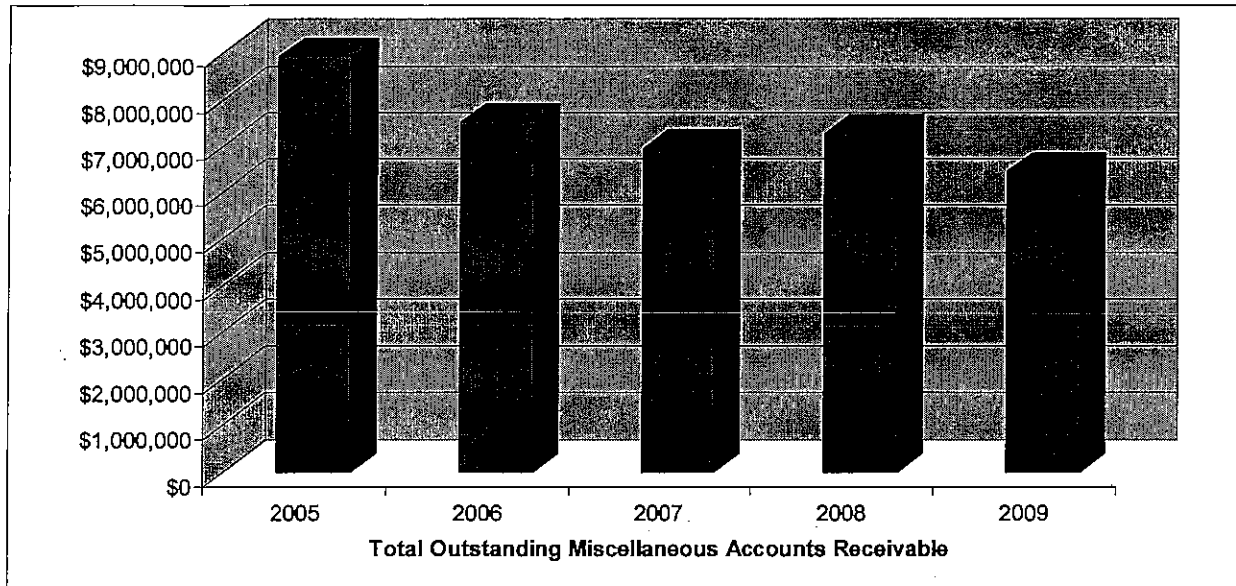
The Parking Fund writes off delinquencies that are six years old or older, due to the statute of limitations rendering these uncollectible. Miscellaneous accounts receivable and tax delinquencies of \$5,000 may be cancelled or adjusted through Common Council action. An interdepartmental process is followed for delinquencies less than \$5,000. Municipal Court judgments are settled either through cash fines, jail time or community service. Judgments that are at least seven years old, and meet City Attorney criteria, may be written off pursuant to Common Council resolution authorizing such write-offs.

Parking Fund Receivables Aging



The chart above shows the aging of parking citation outstanding receivables from 2005 through 2009. More than half of the current outstanding balance for parking citation receivables is considered uncollectible due to lack of registered owner information, citations issued to out of state vehicles, and the age of outstanding citations.

Outstanding Miscellaneous Accounts Receivable



	2005	2006	2007	2008	2009	Change 2005-2009
City Clerk	\$ 71,000	\$ -	\$ 151,000	\$ 80,000	\$ -	\$ (71,000)
City Attorney	66,000	129,000	79,000	-	38,000	(28,000)
City Development	296,000	299,000	297,000	297,000	297,000	(1,000)
Comptroller*	311,000	105,000	258,000	195,000	193,000	(118,000)
Employee Relations*	494,000	1,011,000	598,000	352,000	520,000	426,000
Dept of Administration	3,000	29,000	21,000	23,000	94,000	91,000
Fire Department	877,000	97,000	89,000	137,000	92,000	(585,000)
Health Department	781,000	957,000	163,000	92,000	101,000	(680,000)
Police Department	1,643,000	1,645,000	1,645,000	1,652,000	1,640,000	(3,000)
Port of Milwaukee	641,000	919,000	1,602,000	2,234,000	994,000	353,000
Public Works	3,922,000	2,409,000	1,998,000	2,196,000	2,055,000	(1,667,000)
City Treasurer	9,000	9,000	9,000	10,000	15,000	7,000
TOTAL	\$ 8,915,000	\$ 7,508,000	\$ 8,937,000	\$ 7,250,000	\$ 6,436,000	\$ (2,476,000)

*Totals differ from 2009 report due to exclusion of Worker's Compensation billings to MPS and Comptroller's billings to ERS.

The above chart and table show the change in outstanding miscellaneous accounts receivable by year for various city departments. In total, the year end balance for outstanding miscellaneous receivables decreased by approximately \$2.5 million, or 27.8%, from 2005 to 2009.

Outstanding miscellaneous receivable balances decreased for most city departments between 2005 and 2009. The largest decrease between 2005 and 2009 was in the Department of Public Works. The Health and Fire Departments also had significant decreases from 2005 to 2009. These decreases were due to substantial write offs of uncollectible invoices. The miscellaneous accounts receivable balance for the Port and the Department of Employee Relations increased overall from 2005 to 2009. These increases were mainly due to invoices issued late in 2009, with associated payments not received until the following year.